



City of Newburgh

INDUSTRIAL DEVELOPMENT AGENCY

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City of Newburgh Industrial Development Agency 2015 Measurement, Performance and Operations

Mission Statement

The mission of the City of Newburgh Industrial Development Agency is to advance the job opportunities, health, general prosperity and economic welfare of the people of the City of Newburgh and to improve its recreation opportunities, prosperity, and standard of living, through the promotion, development, encouragement and assistance of industrial, manufacturing, warehousing, commercial, research and recreation facilities, educational or cultural facilities, health care facilities, and continuing-care retirement communities, in the City of Newburgh.

Goal #1: Promote private investment for development, job creation, and retention.

Measures

Facilitate development of IDA industrial property. In 2013 the Agency approved the sale of its 15+ acres of industrial site at 5 Scobie Drive to Hudson Valley Lighting (HVL), a manufacturer currently doing business in the City. HVL formed 5 Scobie Partners LLC (LLC) to undertake the project. The site is a brownfield as it is adjacent to former City of Newburgh Landfill. To offset the cost of remediation:

- The Agency and the LLC applied and were approved for participation in the NYS Dept. of Environmental Conservation's Brownfield Cleanup Program, thereby offsetting the remediation cost with tax credits to the LLC. The remediation and development a 150,000 square foot facility was estimated at \$20 million.
- The Agency and the City of Newburgh made a joint application to U.S. Economic Development Administration (EDA) for \$4,174,848 (matching share of \$ 1,232,455) millions for installation of public infrastructure on the IDA-owned property and off-site sewer improvements. The grant would be administered by the City of Newburgh. The local match would be provided jointly by the City and LLC. It was approved.
- To further the project, the Agency contracted with a firm to undertake a cost benefit analysis of the project to determine an equitable PILOT. **The pro forma study was aborted when the project was canceled in 2015.**
- The Agency and City were invited to apply for a \$53,000 shovel- ready grant by the Orange County Industrial Development Agency to clear the site of trees. **In 2015, the Agency issued a RFP for the tree removal. No contract was executed (see below).**

In February, 2015, Hudson Valley Lighting reviewed costs, construction schedule, and risks and decided to abandon the project. The developer was removed as a volunteer in the Brownfield Cleanup Program. In mid-2015, at the request of the Agency, the NYS Dept. of Environmental Conservation approved the Remediation Investigation Plan noting that “The site redevelopment plan and contemplated use as described in Section 1.0 is no longer specific to the commercial/industrial warehouse and distribution facility proposed at the time of RIR submission.”

The Property remains in the Brownfield Cleanup program. It is anticipated that the Agency will market the site in 2016 after it reviews options and designs for a cost-effective redevelopment scheme.

Support attraction of business, business retention, and job generation through coordination with the City of Newburgh and economic development organizations -- respond to leads and existing business to determine eligibility for IDA financing and other business assistance, make referrals, and support/facilitate local and regional economic development initiatives. **The Agency and City review leads from the Orange County Partnership and direct inquiries.**

Marketing and Outreach: Support marketing of development sites and buildings, and participation in “River of Opportunities” marketing program funded by the U.S. Economic Development Administration. **The River of Opportunity marketing program launched in 2014 continues to highlight available industrial space in the City and to inform brokers and business of available City and IDA benefits for job creations. The Agency provided information on benefits to several inquiries in 2015.**

Review disposition of IDA-owned residential property. **Transferred a residential parcel on Ann Street to Habitat for Humanity of Greater Newburgh to enable aggregation of a site for new housing. No fee was charged. Following a request to purchase of 105 West Street, the Agency obtained an appraisal of the parcel. The City of Newburgh requested an easement on the property prior to its disposition and will provide the information to the Agency. A 2016 disposition is anticipated.**

Induce and execute eligible projects that generate private investment and create or retain jobs. **The Agency approved a straight lease project for 96 Broadway for gut-rehabilitation of a four-story building into ground floor commercial or retail space, two units of affordable housing, and three units of market-rate housing. The project has been a vacant shell for over a decade (see photo.) The rehabilitation will involve various funding sources, City of Newburgh Land Bank assistance, and mortgage and tax credits. No work to further commercial use will receive benefits.**



Goal #2: Undertake compliance requirements.

- Hold at least two Governance and Audit/Finance Committee Meetings a year.

The Audit/Finance Committee met to review the 2014 audit and the Five-Year Financial Plan and Budget and recommended their adoption by the Board. The Committee recommended a contract with a firm to conduct the 2015 Audit.

The Governance Committee met to review and re-adopt Agency Policies, Mission Statement, and to interview candidates for two vacancies on the Board of Directors. It also met to review and approve a Conflict of Interest Policy.

- Review policies and operations. **The Committees annually review policies and make recommendations to the Board for reaffirmation.**
- Monitor economic data. **Ongoing.**
- Conduct open monthly meetings. **Complied with Open Meetings law and postings on website.**
- Complete an annual Audit. **Completed 2014 Audit.**
- Monitor projects. **The rehabilitation of the Foundry Condominium project is subject to a reverter clause to the Agency. In 2015 the Agency facilitated meetings between the Condominium Association and Developer in an attempt to move the rehabilitation of 53 market-rate units of rental housing. The Agency requested that the City of Newburgh conduct an inspection of the common areas of the facility. No agreements were reached and litigation by the parties is anticipated in 2016.**
- Complete PARIS reporting. **Completed.**
- Maintain and update web site. **Website is monitored and updated on a regular basis.**

Operations

The City of Newburgh Industrial Development Agency (NIDA) is a public authority of the State of New York organized under Article 18-A of the New York State General Municipal Law to serve the City of Newburgh.

The mission of the Agency is to encourage economic development throughout the city, to assist in the retention of existing jobs, and the creation and attraction of new jobs. The NIDA programs are discretionary and provide companies with access to tax-exempt bond financing and/or tax benefits to acquire or create capital assets, such as purchasing real estate, constructing or renovating facilities, and acquiring new equipment. All applicants must satisfy eligibility requirements and demonstrate a need for assistance. NIDA administers its programs within the requirements of regulations enacted by New York State.

The Agency functions as a part-time office. All of its members are independent. Staffing, legal, and bookkeeping services are provided under contract.

The Board makes policy, establishes best practices, and directs the management of the Agency.

The Board establishes Agency goals, and monitors achievements/completion of tasks through email discussion and review of activities at monthly meetings.

Although the Agency functions on a part-time basis, staff are responsible for the day-to-day operations of the Agency and for compliance with state laws, regulations, and best practices.

As needed, the Board will hold work sessions to permit active participation of its members in management of the Agency.

The Agency's funds are maintained and secured in several interest-bearing accounts at TD Bank. All expenditures must be approved by the Agency.

Questions

1. Have the board members acknowledged that they have read and understood the mission of the public authority? Yes.

2. Who has the power to appoint the management of the public authority?

The Members of the Agency approve appointment of management following full board interview and review of the applicant's experience by the Governance Committee.

3. If the Board appoints management, do you have a policy you follow when appointing the management of the public authority?

Yes, the Agency's by-laws establish responsibilities and experience required for its management positions.

4. Briefly describe the role of the Board and the role of management in the implementation of the mission.

The Board makes policy, establishes best practices, and directs the management of the Agency.

The Board establishes Agency goals, and monitors achievements/completion of tasks through email discussion and review of activities at monthly meetings.

Although the Agency functions on a part-time basis, the executive director is responsible for the day-to-day operations of the Agency and for compliance with state laws, regulations and best practices.

As needed, the Board will hold work sessions to permit active participation of its members in management of the Agency.

5. Has the Board acknowledged that they have read and understand the responses of each of these questions? Yes.